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**The Honourable Jeannie Marie-Jewell, Speaker**

MEMBERS PRESENT

Mr. Antoine, Hon. Silas Arngna'naaq, Mr. Arvaluk, Mr. Ballantyne, Hon. Nellie Cournoyea, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Lewis, Hon. Jeannie Marie-Jewell, Hon. Rebecca Mike, Hon. Don Morin, Hon. Richard Nerysoo, Mr. Ng, Mr. Ningark, Hon. John Pollard, Mr. Pudlat, Mr. Pudluk, Mr. Whitford, Mr. Zoe

ITEM 1: PRAYER

---Prayer

**SPEAKER (Hon. Jeannie Marie-Jewell):**

Good morning. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Yellowknife Centre, Mr. Lewis.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Elimination Of NWT Science Institute

**MR. LEWIS:**

Thank you, Madam Speaker. I continue to have grave concern, Madam Speaker, about the government's determination to eliminate the Science Institute of the Northwest Territories.

The fears of those who promoted the concept of a science institute, more than 15 years ago, have now been realized, the political process advanced to the stage where science is bought like any other commodity. Governments shuffle around the science that best supports the positions of the government in power.

Eliminating the Science Institute means the legislature would no longer have an arm's length agency that would provide it with the best advice available without fear or favour. The science advisory function would be part of the college system, and would be lost in the workings of the largest department of the government. The focus has completely changed from what was originally envisaged.

The attitude of government seems to be if we can't control it, let's eliminate it. Some of the most memorable events to have occurred in this legislature have occurred when, through the Science Institute, Members have listened to careful, objective analysis

of northern scientific problems by scientists with no axe to grind and no positions to promote.

I vividly recall the debate on uranium mining and the deep impression made on William Noah -- and I just use him as an example. He was, at that time, the MLA for Baker Lake. I remember the gratitude he felt towards those scientists who carefully explained the nature of uranium mining in a fair, objective fashion. This, I fear, would be lost and we would be the poorer for it. Thank you, Madam Speaker.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for North Slave, Mr. Zoe. Member's Statement On Rae Lakes Documentation Of Dogrib Traditional Government

**MR. ZOE:**

Thank you, Madam Speaker. Over the past year, Madam Speaker, the community of Rae Lakes has been documenting elders' knowledge of Dogrib traditional government. This information is very important. Madam Speaker, this information will help build a community self-government model. The information will also be used in the school curriculum.

Madam Speaker, I would like to take this opportunity to thank the Department of Education, Culture and Employment, also the Department of Executive and the Department of Renewable Resources for their support during the 1993-94 fiscal year. I would also like to take this opportunity to say how pleased I am with the government's response to the traditional knowledge working group report. The response says that the government will redo the existing grants and contribution program to make the traditional knowledge initiative a priority.

Madam Speaker, given the government's position, I would like to request that the government departments do everything they can to ensure that this project is given the financial and income support necessary to complete the work. Like the Dene justice project, Madam Speaker, this project will require three years for it to come to completion. The community has completed its first year and looks forward to completing the work in the next couple of years. Thank you.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Baffin South, Mr. Pudlat.

Member's Statement On Establishment Of Council For Disabled Persons In Nunavut

**MR. PUDLAT:**

(Translation) Thank you, Madam Speaker. There was a meeting in Iqaluit this month. The conference was with regard to the NWT Council for Disabled Persons. During the meeting they were also planning towards the Nunavut of 1999. The people of Nunavut are concerned with regard to the disabled persons in their communities. There is a council that deals with disabled persons right at the moment that is located in Yellowknife, but in the communities this council does not exist. I am in support of the possibility of establishing a committee or a council for disabled persons for the Nunavut area. This was one of the major concerns brought up while they were dealing with the Council for Disabled Persons in Iqaluit.

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The people of Nunavut will want this treated as one of the priorities as we come closer to Nunavut of 1999. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Kivallivik, Mr. Arngna'naaq.

Member's Statement Re Apologies For Non-Attendance To "Back To The Future" Conference

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. As the Member representing Kivallivik, a part of the wider Keewatin region, I would like to take this opportunity to express, through this House, my regrets for not being able to attend the Back to the Future panel discussion sponsored by the Keewatin Chamber of Commerce to be held this weekend in Rankin Inlet.

I received an information package from the Chamber of Commerce two days ago which outlined a number of important topics of round table discussion, including a number of issues under government departments, of the departments of Public Works, NWT Housing Corporation, Economic Development and Tourism, Transportation, Workers' Compensation

Board and Education. I also learned from this package that I had the honour of being placed on the list as one of the panellists. As much as I would have liked to, given the short notice, I am not able to get out of a prior family commitment in order to attend the meeting.

I would, however, like to send along with my regrets, my sincere wishes for a successful round of discussions. Madam Speaker, as one of the three MLAs for the region I know these are important topics of discussion. I look forward to hearing about the outcome and to participate in future discussions of a similar nature. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Yellowknife North, Mr. Ballantyne.

Member's Statement On Negotiated Contract For Donnie "Teflon" Morin

**MR. BALLANTYNE:**

Thank you, Madam Speaker. Madam Speaker, today is a very significant day. Today we send a happy band of MLA warriors to do battle for the hearts and minds of the public.

We have faced 1,000 years of bad press, Madam Speaker...

---Laughter

...and today our warriors can finally prove...

---Applause

...the truth of our calling. But a small cloud, Madam Speaker, hangs over the head of our team. This morning, coach Maduke announced that Donnie "Teflon" Morin signed a ten year no-cut, no-trade contract.

---Laughter

The problem is, Madam Speaker, it was a negotiated contract.

---Laughter

The rest of the team have one year contracts all selected by the public tendering process.

---Laughter

---Laughter

He is northern-owned and operated, he has a high percentage of aboriginal content, and he obviously spends his money in the north -- except for his boat...

---Laughter

---Laughter

The one bit of good news is that John Todd, well-known captain of the MLA Sharks dart team, who supported negotiated contracts, said I will support negotiated contracts anywhere, anytime, and I will take full responsibility for Mr. Morin's performance. If Morin doesn't score a goal, Mr. Todd has publicly stated he will not speak for one year.

---Laughter

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Yellowknife South, Mr. Whitford.

Member's Statement On Congratulating Caribou Carnival Organizers

**MR. WHITFORD:**

Thank you, Madam Speaker. Happy Caribou Carnival to you. Madam Speaker, yesterday began the start of the 40th Caribou Carnival for the city of Yellowknife. This long-standing tradition began here as kind of a get together of people to celebrate spring, and has evolved into what it is today. It attracts hundreds and hundreds of visitors to our community.

I would like to congratulate the Caribou Carnival group for the marvellous job that they've done thus far. They've put together this relatively enormous project with fairly few flaws in it. In particular, I would like to congratulate the Caribou Carnival Queen, Tasha Rogers, who won that position yesterday for the largest number of tickets sold. The princess is Gaeleen MacPherson. Some 48,000 tickets were sold for a dollar a piece and that money goes to sponsoring prizes and various events that go along with this Caribou Carnival.

Today also marks the start of the 150-mile Canadian Championship Dog Derby. There are 14 teams registered,

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teams from all across Canada. There's a team from the United States and also from Europe. And, of course, our annual bouquet of Becks will be running in the race. This year's particularly pleasing for us because we now have a lady dog musher, Heather Beck, who is going to be running for the first time. As well, Madam Speaker, this is the beginning of the 23rd year that the Yellowknife Rotary Club has been responsible for the running of the dog race.

It involves a lot of work, but it is an event that attracts international recognition to our part of the country and to the sport of dog mushing, which evolved out of a necessity in the territories. People used dogs for work purposes. They still play an important part in our tradition. With that, congratulations to everybody who has participated. Thank you, very much.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Antoine.

Member's Statement On Telephone Services In Small Communities

**MR. ANTOINE:**

Mahsi, Madam Speaker. I'm going to speak in my language. (Translation) Today I would like to say a few things about telephones in smaller communities like Jean Marie River, Trout Lake and Nahanni Butte in my constituency. In these smaller communities, they only have one phone. In Kakisa, they also only have one phone. Like the experience of my colleague here from Bay Chimo, and around that area, these small communities only have one phone.

People from these communities have been asking for telephones for quite some while, especially the band councils. There is only one phone and often times, these phones are tied up. Some people have asked for residential phones. I have received letters from some people from my constituency on these matters. In the letter I received from Don Morin, he said it was NorthwesTel that would be responsible for installing telephones in these communities.

There was a meeting a while ago regarding CRTC and NorthwesTel. As a result of these meetings, June 20 is the deadline for installing telephones in these smaller communities. They are working

towards that but what I want to say is right now, there is a real need for telephones in these communities. A lot of people write to me from these communities like teachers and business owners. Thank you.

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. Item 4, returns to oral questions. Item 5, oral questions. The honourable Member for High Arctic. Welcome back, Mr. Pudluk.

---Applause

**ITEM 5: ORAL QUESTIONS**

Question 382-12(5): Ownership Of Municipal Roads

**MR. PUDLUK:**

Thank you, Madam Speaker. I have a very, very short question. I don't want to waste your time. I have a class three driver's license. That means I can drive almost anything. I would like to ask the Minister of MACA who owns the roads downtown? Is it the municipal government or taxi drivers? Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Municipal and Community Affairs, Mr. Arngna'naaq.

Return To Question 382-12(5): Ownership Of Municipal Roads

**HON. SILAS ARNGNA'NAAQ:**

Thank you, Madam Speaker. I believe the municipality would own the roads. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

Question 383-12(5): Transportation Policy For Parents To Visit Children Attending Regional Schools

**MR. GARGAN:**

Thank you, Madam Speaker. My question is to the Minister of Education, Madam Speaker. With the new direction the Minister is taking in regionally centralizing high school and having our children go to these schools, does the government have some type of policy that would allow children to go home for

spring break, Christmas holiday, Easter holiday and, of course, summer holidays? And, are they developing any kind of policy with regard to parents being able to visit their own children at the regional high schools?

As you know, Madam Speaker, we don't have any kind of transportation services for the kids who are going to school in Fort Simpson, as we have bus service and some scheduled air service in Providence. We don't have anything like that. It is only the parents who have vehicles who have the opportunity to visit their children or get their children for the holidays. With the new direction in education, are we looking at developing new policies to allow for parents to visit or for students to visit their homes?

**MADAM SPEAKER:**

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

Return To Question 383-12(5): Transportation Policy For Parents To Visit Children Attending Regional Schools

**HON. RICHARD NERYSOO:**

Thank you, Madam Speaker. Just to correct the record, Madam Speaker, the direction I'm undertaking in pursuing community high school programming is not a new direction. It has been in place ever since my colleague, Mr. Kakfwi, was the Minister of Education. He began the process of developing community high school programming.

On the matter of support, Madam Speaker, at present we provide for assistance to the students to travel back to their communities during Christmas. However, it is the choice of the

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parents, also, to decide the holiday for which they want us to provide assistance.

I will certainly look at the other concern the honourable Member has raised, but again it will be with considerable concern for our financial situation. That is the remark that he made where we provide for assistance to parents and students for additional trips home.

The last point I wanted to make, Madam Speaker, is the matter of where the students attend school rests with the board and they can make the choice in their

region as to how they want to provide high school programming. I will review the matter, however, it has to be within the context of the financial resources we have available to us.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. The honourable Member for Baffin South, Mr. Pudlat.

Question 384-12(5): Request For Funds By Baffin Hunters' And Trappers' Associations

**MR. PUDLAT:**

(Translation) Thank you, Madam Speaker. Last week, under tabled documents, I tabled a few documents. One was the response the Minister of Renewable Resources gave to Joe Ikkidluak. There was a meeting in Iqaluit during the Baffin leaders' summit. At that meeting, the Baffin Regional Hunters' and Trappers' Committee chairman gave a presentation. I believe you have copies of the minutes. During the Baffin regional leaders' summit, there was a motion, motion 15, with regard to the shortage of funds they get. They have estimated that the Tunngavik will contribute \$100,000. Looking at the size of the Baffin region, I wonder, Madam Speaker, if the Minister of Renewable Resources' response was inadequate. I am just wondering if he fully understands the request Joe Ikkidluak made to him. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Kakfwi.

Return To Question 384-12(5): Request For Funds By Baffin Hunters' And Trappers' Associations

**HON. STEPHEN KAKFWI:**

Thank you, Madam Speaker. There is a suggestion that we have sent to the Inuit regional hunters' and trappers' association that because the original basis on which funding was given to these regional hunters' and trappers' organizations was not rationalized on a territorial-wide basis, but rather on a case-by-case basis, it is difficult for us and perhaps very late, at this stage, to try to rationalize a basis for funding only from the government side. We have claims institutions being set up such as the Nunavut wildlife body. I believe that the wildlife management board being set up for Nunavut should have a major say in the way that funding is handled and how it should be

provided. So we have asked for this question to be dealt with by the wildlife board and to advise the government on what should be done. As I said, there is funding going to this board from different groups. We think, in keeping with the intent of the claims agreement, this new body should have a major say in the way that existing resources are allocated. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Pudlat.

Supplementary To Question 384-12(5): Request For Funds By Baffin Hunters' And Trappers' Associations

**MR. PUDLAT:**

(Translation) Thank you, Madam Speaker. In the Baffin region, in answer to the request they made, he indicated that it will be up to the wildlife board. I fully understand that. Even though it might be up to the wildlife board, I wonder if the Baffin regional hunters and trappers can expect more if their proposal is better? Would they then get more adequate funding? Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Kakfwi.

Further Return To Question 384-12(5): Request For Funds By Baffin Hunters' And Trappers'

**HON. STEPHEN KAKFWI:**

Thank you, Madam Speaker. I would gather that the advice may very well be that the wildlife management board will suggest that, as a government, we should review all funding in this area to hunters and trappers, to the community and regional organizations, in light of the new set up under the claims agreement. If that is the case, we will do that. If, in fact, there is a suggestion that we do this together, we would be very happy to work with the Nunavut wildlife board to look at this question. Thank you.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. The honourable Member for Yellowknife North, Mr. Ballantyne.

Question 385-12(5): Government's Position On Changes To The Young Offenders Act

**MR. BALLANTYNE:**

Thank you, Madam Speaker. I have a question for the Minister of Justice. The Minister of Justice has just returned from a federal/provincial/territorial conference. The conference was dealing with changes to the Young Offenders Act. The Minister is very aware of the fact that the Young Offenders Act hasn't worked the way the original designers of the act wanted it to work and there has been a lot of pressure to change it over the years. What is the government's position on changes to the Young Offenders Act?

**MADAM SPEAKER:**

Thank you. Minister of Justice, Mr. Kakfwi.

Return To Question 385-12(5): Government's Position On Changes To The Young Offenders Act

**HON. STEPHEN KAKFWI:**

Thank you, Madam Speaker. The new Government of Canada, the Liberal government, has a red book that spells out the many commitments and promises that were made in the course of the political campaign. Some of those commitments include changes that they are going to make to the Young Offenders Act. Those are spelled out. There was a discussion with the other Ministers at the Justice Ministers' meeting in Ottawa. I know that we have a range of opinions from the province of Manitoba that agrees with all the suggested changes by the Liberal government, plus they added a few more that they thought should be made to deal with the question of young offenders. On the other hand, we have Quebec, that says they do not agree and would like to have more extensive discussions and work done before any

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changes are made. In between those two positions are all the rest of the provinces and territories.

It has been my view that we should put the question of changes to the Young Offenders Act to a meeting of those people who are most directly concerned and affected by this work over the course of the next few months. Perhaps a conference could be arranged where we could have agencies that deal with youth, community leaders who are concerned with it, and women's groups who are concerned with it, to deal with the question of what we do with young offenders.

The federal government seems intent on moving ahead with the commitments in the red book.

I can't say those commitments are going to be rationalized. There was a discussion suggesting that perhaps we should hold off on the short term, deal with everything as a big package, and put off changes to the Young Offenders Act as federal legislation until a more comprehensive review of the question is done. At this time, I would say that it appears the federal government is intent on fulfilling its commitments as laid out.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Ballantyne.

Supplementary To Question 385-12(5): Government's Position On Changes To The Young Offenders Act

**MR. BALLANTYNE:**

Thank you. There's been a lot of review and extensive discussions over the last seven years. At one point, the ten provinces and two territories unanimously agreed to an approach and made a presentation to the federal government. They still didn't act on it. The Minister hasn't answered my specific question, what is our government's specific position on various aspects of the changes? If the Minister has a paper, would the Minister make that available to Members?

**MADAM SPEAKER:**

Thank you. Minister of Justice, Mr. Kakfwi.

Further Return To Question 385-12(5): Government's Position On Changes To The Young Offenders Act

**HON. STEPHEN KAKFWI:**

Thank you. Madam Speaker, the government does not have a specific position with regard to the proposed changes of the federal government, as outlined in their red book. We are involved in discussions about them, but have not yet come to a clear, firm position on the proposed changes.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Ballantyne.

Supplementary To Question 385-12(5):  
Government's Position On Changes To The Young  
Offenders Act

**MR. BALLANTYNE:**

Thank you, Madam Speaker. I think it is important that the government does get a position, because the Young Offenders Act has some significant impact in the Northwest Territories. It has caused us a lot of problems. Could I ask the Minister if the Minister can get a position paper through Cabinet so that when the Minister goes down to these meetings, he is coming from a position that has been agreed to, by at least the Cabinet?

**MADAM SPEAKER:**

Thank you. Minister of Justice, Mr. Kakfwi.

Further Return To Question 385-12(5): Government's  
Position On Changes To The Young Offenders Act

**HON. STEPHEN KAKFWI:**

Thank you, Madam Speaker. That's good advice to take. I also want to remain open to positions being suggested by community groups and organizations that also have concerns about the issue of young offenders. I think the federal government is going to go ahead with the specific commitments laid out in the red book in any case, regardless of our position. But we will try to come up with a firm position in the next month or so. Thank you.

**MADAM SPEAKER:**

Item 5, oral questions. The honourable Member for  
Kitikmeot, Mr. Ng.

Question 386-12(5): Government's Position On  
Privatization Initiatives

**MR. NG:**

Thank you, Madam Speaker. My question is directed to Madam Premier. Yesterday, I spoke on the need for the government to refocus on privatization to reduce costs and to provide private sector business opportunities. I would like to ask Madam Premier if it is still an initiative of this government to pursue privatization initiatives? Thank you.

**MADAM SPEAKER:**

Thank you. Madam Premier.

Return To Question 386-12(5): Government's  
Position On Privatization Initiatives

**HON. NELLIE COURNOYEA:**

Madam Speaker, yes.

**MADAM SPEAKER:**

Supplementary, Mr. Ng.

Supplementary To Question 386-12(5):  
Government's Position On Privatization Initiatives

**MR. NG:**

Thank you. Does the government have a privatization plan which identified privatization initiatives they can pursue? Thank you.

**MADAM SPEAKER:**

Thank you. Madam Premier.

Further Return To Question 386-12(5): Government's  
Position On Privatization Initiatives

**HON. NELLIE COURNOYEA:**

Madam Speaker, when the Government of the Northwest Territories decided to move towards consolidation and some decentralization, there were a certain number of privatization initiatives outlined that we wanted to move towards. However, wherever reasonable, if there are specific areas where private people, local agencies and organizations, and development corporations see an opportunity, we deal with those requests as they occur.

Certainly, we believe -- and I think it's a well-established fact across Canada -- that business is better operated by private enterprise that can deal with it on a business approach.

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Businesses are generally more equipped to focus on a business operation. Governments have taken that initiative all across Canada and we still feel there are areas that could be privatized.

In the beginning, we outlined a number of areas that we would like to see privatized, and if there are other areas that should be explored, we are open to those discussions, on a case by case basis. Thank you.

**MADAM SPEAKER:**



Thank you. Supplementary, Mr. Ng.

Supplementary To Question 386-12(5):  
Government's Position On Privatization Initiatives

**MR. NG:**

Thank you, Madam Speaker. I would like to ask Madam Premier, then, if there are any privatization initiatives planned for the upcoming fiscal year?

**MADAM SPEAKER:**

Thank you. Madam Premier.

Further Return To Question 386-12(5): Government's Position On Privatization Initiatives

**HON. NELLIE COURNOYEA:**

Madam Speaker, I don't think there is anything on the table right now. But, this is an ongoing process and we're still looking. Thank you.

**MADAM SPEAKER:**

Thank you. Final supplementary, Mr. Ng.

Supplementary To Question 386-12(5):  
Government's Position On Privatization Initiatives

**MR. NG:**

Thank you, Madam Speaker. I would like to ask Madam Premier, do all government departments have plans that outline services that they can possibly privatize?

**MADAM SPEAKER:**

Thank you. Madam Premier.

Further Return To Question 386-12(5): Government's Position On Privatization Initiatives

**HON. NELLIE COURNOYEA:**

Madam Speaker, at the very beginning of the question on how we can provide programs and services more effectively to the residents of the Northwest Territories and the discussion on how best those programs and services can be developed, we asked all departments to determine areas where they thought there could be possible privatization. So, initially, we had a master list, which we are presently working from. These are areas where departments felt those opportunities might exist. We have a

master list and we gradually work on that master list. Thank you.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. The honourable Member for Yellowknife South, Mr. Whitford.

Question 387-12(5): Clarification On Use Of Term "Credible" To Describe Employees

**MR. WHITFORD:**

Thank you, Madam Speaker. Madam Speaker, I have a question I would like to direct to the Minister responsible for Social Services. I'm seeking a clarification from an item in the unedited Hansard of yesterday where the honourable Rebecca Mike was replying to my friend, Mr. Ng, about employee housing.

It says, "In the past, it has been used to lure credible employees to come to smaller communities." I wonder if that's just an error in the choice of words, or does it mean that northern employees are not credible? Perhaps they were incredible. I just wonder if a correction would be in order here?

**MADAM SPEAKER:**

Thank you. Minister of Social Services, Ms. Mike.

Return To Question 387-12(5): Clarification On Use Of Term "Credible" To Describe Employees

**HON. REBECCA MIKE:**

Thank you, Madam Speaker. I would like to thank the Member for Yellowknife South for bringing this to my attention. Because English is not my mother tongue, sometimes I make errors and use a bad choice of vocabulary. What I meant in that statement was qualified employees. Thank you.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. The honourable Member for Nahendeh, Mr. Antoine.

Question 388-12(5): Telephone Services To Small Communities

**MR. ANTOINE:**

Mahsi, Madam Speaker. Today I spoke on my Member's statement about telephones, in my language. I represent the three communities of Jean

Marie River, Trout Lake and Nahanni Butte. For a number of years now they have one pay phone type of system that NorthwesTel installed. I understand that it's the same situation in Kakisa Lake. I also mentioned Bay Chimo and Bathurst Inlet. My honourable colleague's, Mr. Ng's, riding doesn't have any telephone services.

But in my communities, for many years we've been asking for more services. People have been asking for their own private lines in their houses. The band office, the community government want faxes. These communities don't have any regular airline services, so whenever your government writes to them, it may take a week or two before they get their letter and things get pretty slowed down then. I've also received letters from teachers and CECs and the divisional board of education to improve the telephone services. We're told that there's a new communication system for all NWT schools to be able to use computers to send messages to each other, and that's impossible in these small communities.

The CRTC decision in December said there was supposed to be a plan by June 20 to provide services to all these communities. I just wanted to ask the Minister if he's aware of that. Is the plan to provide full services to these communities by June 20, or is it a plan that they're going to provide to CRTC by June 20 with a plan for the future years?

I understand that the communities have been asking for an immediate increase in the telephone service. I would just like to know from the Minister if that's the case. Thank you.

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**MADAM SPEAKER:**

Thank you. Minister of Public Works and Services, Mr. Morin.

Return To Question 388-12(5): Telephone Services To Small Communities

**HON. DON MORIN:**

Thank you, Madam Speaker. My understanding of it is that CRTC directed NorthwesTel to develop a plan on how they would provide full services to the non-serviced communities, by June. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 388-12(5): Telephone Services To Small Communities

**MR. ANTOINE:**

Thank you. I would like to ask the Minister what type of involvement his department has with NorthwesTel to help develop a plan. Last summer I wrote to the Minister and told him that I was planning to go to Whitehorse and meet with the president myself, along with some of the MLAs who have similar concerns. I was told by the Minister not to do that because he was dealing with it. I was wondering if the Minister has been involved with the president of NorthwesTel to see how this government could be involved in the plan that is supposed to be developed by June 20. Thank you.

**MADAM SPEAKER:**

Minister of Public Works and Services, Mr. Morin.

Further Return To Question 388-12(5): Telephone Services To Small Communities

**HON. DON MORIN:**

Thank you, Madam Speaker. I know that my department has met with NorthwesTel in the past to work on a plan for how to ensure that these non-serviced communities are going to get service in the near future. If they've met with them recently, I don't know about it. I could check into that for the Member and fully inform him on Monday. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 388-12(5): Telephone Services To Small Communities

**MR. ANTOINE:**

Thank you again, Madam Speaker. I would like to ask the Minister if he has contact with NorthwesTel, if he could arrange a meeting between the representative of NorthwesTel and Members of the Legislative Assembly who have similar concerns as I have, so that we can sit down face to face with them and tell them our concerns on behalf of the communities. Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Public Works and Services, Mr. Morin.

Further Return To Question 388-12(5): Telephone Services To Small Communities

**HON. DON MORIN:**

Thank you, Madam Speaker. I'd be pleased to do that. Thank you.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

Question 389-12(5): Clearing Right-Of-Way Between Taltson And Pine Point

**MR. GARGAN:**

Thank you, Madam Speaker. About a year and a half ago, I wrote to the Premier with regard to clearing a right-of-way between Taltson and Pine Point. I understand that there is \$80,000, but I can't confirm that, that is set aside to make sure that from Taltson to Pine Point, the trees underneath the power lines are cut so that they don't touch the lines. I would like to ask the Premier whether, in fact, there is money set aside for that, and who is the person who does that? Is this an internal thing, or do you advertise the clearing of the right-of-way?

**MADAM SPEAKER:**

Thank you. Minister responsible for the Power Corporation, Madam Premier.

**HON. NELLIE COURNOYEA:**

Madam Speaker, since the power line is a power line with the Power Corporation, any work that would have to be done would be contracted by the Power Corporation. I've had discussions with the Power Corporation on the desire of aboriginal groups that they want to be considered if there were expenditures on clearing the rights-of-way of keeping the rights-of-way cleared. I know that the Power Corporation is supportive of making sure that any job is possible to be done by the residents of the particular area, that this is to be considered.

However, on the issue of whether there is a particular amount that is set aside to do this, I will have to take that as notice and I will try to get that information over the weekend for the Member. Thank you.

**MADAM SPEAKER:**

Supplementary...I'm sorry, she took it as notice. Item 5, oral questions. Item 6, written questions. The honourable Member for Nahendeh, Mr. Antoine.

**MR. ANTOINE:**

Thank you, Madam Speaker. I tried to catch the oral question part of it. I seek unanimous consent to go back to oral questions, please, Madam Speaker.

**MADAM SPEAKER:**

The honourable Member is seeking unanimous consent to return to oral questions. Are there any nays? There are no nays. Proceed, Mr. Antoine.

**REVERT BACK TO ITEM 5: ORAL QUESTIONS**

Question 390-12(5): Purpose Of Minister Of Renewable Resources' Trip

**MR. ANTOINE:**

Thank you, Madam Speaker. My honourable colleague, the Minister of Renewable Resources, just returned from a trip. I just wanted to acknowledge that and I would like to ask him a simple question of what the purpose of his trip was, wherever he went. I'll follow up with a supplementary. Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Kakfwi.

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Return To Question 390-12(5): Purpose Of Minister Of Renewable Resources' Trip

**HON. STEPHEN KAKFWI:**

Thank you, Madam Speaker. I left on Monday afternoon and spent the night in Calgary. On Tuesday I went to Ottawa by direct flight, and met with Allan Rock, the federal Minister of Justice, and talked to him about a number of things. One, is the firearms agreement that this legislature has been raising concerns about. I laid out the issues to him in a very direct way, and he said that he was going to go to Cabinet to see if we could get an extension, in view of the arguments that we put forward were very clear, articulate and difficult to argue against. So he seemed to have accepted our point of view that a

different course or arrangement may need to be made here in the north. So on the firearms thing it looks hopeful. Perhaps by later today or Monday I will have a more firm response to it.

I made an issue with them regarding a fourth judge for the Supreme Court of the Northwest Territories. If we could agree that a fourth judge was to be appointed, we should be involved in the consultation, so it isn't done just by Ottawa and he has agreed to that. We argued that if there was a fourth judge, we should prepare for Nunavut by making changes and adding specific wording in the order in council that that judge would reside in Iqaluit, since presently legislation says all judges of the Supreme Court have to reside within 30 kilometres of Yellowknife. So we have agreement with him on that as well.

There are other points I raised with him, but to be honest, I am without notes here. Those I am sure will come back to me if I stand here long enough, but I am trying to keep question period short.

I attended a Ministers' meeting the following day. I attended an evening get-together hosted by the Minister and engaged in social chit-chat, which is rare for me since I prefer to just do business. I actually lasted a whole hour. I thought I was doing exceptionally well.

There was a meeting the following day where we dealt with a number of issues. Many of the commitments made by the Liberal government, as I said, in their red book, they brought forward and said these are the things we intend to do. They are intending to move immediately on the Young Offenders Act, it is not 100 percent certain they will move immediately, but their political intention is to do that. They have had discussions about what to do with violent offenders, high risk offenders. What do we do with people like that? We talked about legislation and whether or not we are discriminating against gays and homosexuals and not providing the same benefits to them. We had discussions about aboriginal justice, community justice and there is a political agreement that aboriginal justice is not going to be just an isolated agenda item on Ministers' conference from now on, but will be understood to be a part of all the issues laid out for Ministers from now on. So all justice issues will be understood to have a parallel aboriginal perspective that must be addressed.

There were appointments of the judiciary raised by Quebec. There were a number of other concerns.

Like I say, I don't have my notes so I cannot speak at great length. I will provide a more detailed statement on Monday. Thank you.

**MADAM SPEAKER:**

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 390-12(5): Purpose Of Minister Of Renewable Resources' Trip

**MR. ANTOINE:**

Thank you, Madam Speaker. I would like to thank the Minister for his answer. There is only one outstanding problem that we all have and that is the new federal law on firearms that is going to be made law and activated by April 1. I know the Minister indicated that the federal Minister is receptive to his arguments on all our behalf in the north and that there might be an extension. If the regulation is to be enforced as of the regulation date, how soon can we know for sure if we have an extension on that? What will happen is with this new regulation, you have to do a number of things to store your firearms, which many aboriginal people I know have never done in their lives. So we will have to buy steel cases and that will be difficult to do by April 1. How soon will we know for sure whether we are going to have an extension? Thank you.

**MADAM SPEAKER:**

Thank you. Minister of Renewable Resources, Mr. Kakfwi.

Further Return To Question 390-12(5): Purpose Of Minister Of Renewable Resources' Trip

**HON. STEPHEN KAKFWI:**

Thank you, Madam Speaker. The Minister was very understanding and open to the suggestion we made, which was to try to delay the implementation of that regulation until the fall. That would give us time to look at alternative arrangements. While we support the safety element of the national firearms course and the test, we do not agree that firearms have anything to do with most people in the Northwest Territories. At least in the case of handguns, muskets and rifles from previous centuries. I raised a number of specific points in the course and the book itself to illustrate the point. As I said, I hope by Monday, if not today, we should have a definite answer. He had indicated the following day he was going to have a definite answer to us, but that didn't happen. It should be noted by

the Members as well that when the Ministers discussed it, there was a lot of support for the notion that we should look at prohibiting handguns for use in Canada, rather than tinker with regulations simply restricting them. The suggestion was the use of handguns, per se, have no place in a firearms safety course in Canada, since the majority of us use only rifles and it is for hunting. Handguns are not in the same category whatsoever with people who use firearms and, therefore, we should not be compelled to know about handguns in order to continue using firearms the way we have. There were a number of Ministers who stood up on Wednesday and said as far as they were concerned we should look at doing away with firearms and their use in Canada. Thank you.

**MADAM SPEAKER:**

Thank you. Item 5, oral questions. Item 6, written questions. Item 7, returns to written questions. Item 8, replies to opening address. Item 9, petitions. Item 10, reports of standing and special committees. Item 11, reports of committees on the review of bills. Item 12, tabling of documents. The honourable Member for Yellowknife Centre, Mr. Lewis.

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**ITEM 12: TABLING OF DOCUMENTS**

**MR. LEWIS:**

Thank you, Madam Speaker. I wish to table, Tabled Document 51-12(5), called Recall of MLAs. It reflects what I have heard going on around me over the last year. It seems to support many of the initiatives of this government. I would like to have it discussed in Fort Smith.

**MADAM SPEAKER:**

Thank you. Item 12, tabling of documents. The honourable Member for North Slave, Mr. Zoe.

**MR. ZOE:**

Madam Speaker, I would like to table Tabled Document 52-12(5), which is a resolution from the Dogrib Treaty 11 Council and that was passed at their Lac La Martre meeting on January 27, 1994. It is pertaining to the support for Rae Lakes traditional community government research project. Thank you.

**MADAM SPEAKER:**

Thank you. Item 12, tabling of documents. Item 13, notices of motion. Item 14, notices of motions for first reading of bills. Item 15, motions. Item 16, first reading of bills. The honourable Member for Hay River, Mr. Pollard.

**ITEM 16: FIRST READING OF BILLS**

Bill 20: An Act To Amend The Income Tax Act, No. 2

**HON. JOHN POLLARD:**

Thank you, Madam Speaker. Good morning. Madam Speaker, I move, seconded by the honourable Member for Baffin Central, that Bill 20, An Act to Amend the Income Tax Act, No. 2, be read for the first time. Thank you, Madam Speaker.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Bill 20 has had first reading. Item 16, first reading of bills. Item 17, second reading of bills. Item 18, consideration in committee of the whole of bills and other matters: Bill 1, Appropriation Act, No. 2, 1994-95; Bill 12, An Act to Amend the Wildlife Act; Bill 15, An Act to Amend the Income Tax Act; Bill 17, Loan Authorization Act, 1994-95; Committee Report 2-12(5), Review of the 1994-95 Main Estimates; Minister's Statement 5-12(5), Session Business; Tabled Document 1-12(5), Towards an NWT Mineral Strategy; Tabled Document 2-12(5), Building and Learning Strategy; and, Tabled Document 34-12(5), Tradition and Change, A Strategy for Renewable Resource Development in the NWT, February 1994, with Mr. Lewis in the chair.

**ITEM 18: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS**

**CHAIRMAN (Mr. Lewis):**

I would like to call the committee to order. What is the wish of the committee? Mr. Ng.

**MR. NG:**

Thank you, Mr. Chairman. We would like to consider dealing with Bill 15, An Act to Amend the Income Tax Act and Bill 17, Loan Authorization Act, 1994-95, after a short break.

**CHAIRMAN (Mr. Lewis):**

There is a suggestion that we take a short break. We have just two bills to deal with. It is up to Members. What would you like to do?

**SOME HON. MEMBERS:**

Proceed.

**CHAIRMAN (Mr. Lewis):**

The choice is to keep on going or have a quick break. What do you want to do? We'll keep on going. Bill 15, is that what you want to deal with?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Bill 15: An Act To Amend The Income Tax Act

**CHAIRMAN (Mr. Lewis):**

The Minister sponsoring this bill, do you have any comments please? Mr. Pollard.

Introductory Remarks

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. Mr. Chairman, the purpose of the Act to Amend the Income Tax Act is to increase the corporate income tax rate from 12 per cent to 14 per cent of taxable income, effective January 1, 1994.

Mr. Chairman, the five per cent corporate income tax rate for the first \$200,000 of active business income of Canadian-controlled private corporations has not been changed. In the February 14, 1994 budget address, I announced an increase in the Northwest Territories corporate income tax rate from 12 to 14 per cent, to be effective January 1, 1994. This is the first increase, Mr. Chairman, in the corporate rate in four years.

After this increase, the Northwest Territories tax rate will still be lower than that in the Yukon and nine of the ten provinces. It is not anticipated that this increase will have any significant impact on corporate relocation or investment decisions. Mr. Chairman, this change in our corporate income tax rate is expected to raise some \$5 million in the calendar year 1994-95. Mr. Chairman, I'm prepared to attempt to answer any questions the committee may have. Thank you.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. Chairman of the standing committee, Mr. Antoine.

Standing Committee On Finance Comments

**MR. ANTOINE:**

Thank you, Madam Speaker. The Standing Committee on Finance reviewed Bill 15, An Act to Amend the Income Tax Act, on March 21, 1994. Members discussed the proposed changes in the act and agreed it should be moved into committee of the whole for discussion. Thank you, Madam Speaker.

**CHAIRMAN (Mr. Lewis):**

Thank you, very much. Mr. Pollard, are you prepared to answer questions? You may take the table, please.

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**HON. JOHN POLLARD:**

May I move to the witness table and bring in the witnesses, Mr. Chairman?

**CHAIRMAN (Mr. Lewis):**

The Minister is asking authority to move to the table and bring in his witnesses.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard, you may move to the table and bring in your witnesses. Then I'll ask for general comments. Mr. Pollard, for the record, would you identify your witness for us, please.

**HON. JOHN POLLARD:**

Mr. Chairman, the gentleman I have with me is Mr. Eric Nielsen, deputy minister of the Department of Finance, GNWT. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. General comments. Mr. Zoe.

General Comments

**MR. ZOE:**

Mr. Chairman, I have a number of questions I would like answered before I support this bill. First of all, Mr. Chairman, what I would like to know is the government's overall strategy for attracting businesses to the Northwest Territories. How does this increase relate to the strategy of our government?

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Zoe. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, I think Members would agree that in the last couple of years, the emphasis of our governments has been on doing business with northern companies, helping northern companies expand, and using the dollars this government spends to enhance and use those companies across the Northwest Territories. In addition to that, Mr. Todd has been very active in assisting new businesses. He has worked very closely with Mr. Morin because Mr. Morin lets most of the contracts. The emphasis with us at the present time has been on northern business.

There are times, though, when, because of either size or expertise, southern businesses do want to move into the Northwest Territories. How will the corporate taxes in the Northwest Territories affect whether those businesses decide to locate here? Mr. Chairman, I would have to suggest that the largest businesses that are actually working in the Northwest Territories would be oil, gas and minerals. I would say that minerals is way ahead at the present time. The mining corporations are actively pursuing diamonds, gold and other metals.

I would draw your attention to a news release last week whereby a study had been done that indicated that we have always thought that when mining companies in Canada were working in the outer reaches of Canada, they became less economic.

That issue has been addressed by a government study and it is not showing what people had considered to be true. I'm trying to get a copy of that report.

What I'm saying is, with regard to mining companies in particular, there may be no disincentive when we talk about the kinds of tax increases we are talking about in this bill to those companies. Simply because we are still the second lowest in Canada and the returns the mining companies get from the precious gems and metals they take out of the ground well-compensates them and makes them able to pay the taxes.

I don't think that we are going to see any less activity. I don't think two percentage points on corporate income tax is going to stop somebody from making a profit where there is a profit to be made in a reasonable fashion. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. Mr. Zoe.

**MR. ZOE:**

Thank you, Mr. Chairman. The Minister didn't specifically answer my question, because I specifically asked how does this increase relate to the overall government strategy. Although he touched a little bit on the strategy itself, he didn't specifically answer how this increase is going to affect the businesses here in the territories.

Mr. Chairman, on another issue, in his opening remarks, did I hear the Minister indicate that a total revenue is going to be \$5 million? Or, is that an additional \$5 million from what we're receiving now through this corporate tax? Is it an additional \$5 million, or is it a total of \$5 million from what we're getting now from our tax regime?

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, we are forecasting additional revenues of \$5 million. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. General comments. Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, I just want to ask another question. What disadvantages does the government see resulting from this increase? Or, will the disadvantages outweigh the increased revenue?

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, I don't see any disadvantages other than the fact that people don't like to pay taxes. But the fact of the matter is, last year we instituted a payroll tax which was placed upon employees and we didn't touch corporate income taxes. This year, we're looking to the corporations to donate a little more into our budget. I don't have to tell everybody in this room that there are constant suggestions in this House and outside this House for new ways to spend money. If we're going to have to spend those dollars, then we're going to have to get them from somewhere. This year it looked to me like it was a fair deal to put two per cent on the corporate income tax of these large corporations, simply because we were the lowest in Canada, except for Quebec. So I don't think there's going to be any disincentive to large corporations in the Northwest Territories. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you very much. Before I recognize you again, Mr. Zoe, in the gallery today we have a large delegation of Rotary Northern Experience students from

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Alberta, British Columbia, Saskatchewan, Denmark, New Zealand and Columbia. I would like to welcome you.

---Applause

Mr. Zoe.

**MR. ZOE:**

Thank you. Mr. Chairman, given that the federal government is pressuring the Northwest Territories to increase taxation revenue, what will the effect of this increase on our fiscal relationship with the federal government be?

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, we get all of the funds raised by this tax. It's a tax increase, it's not a volume increase. So all of the money flows to us and there won't be any perversity at this time on this particular \$5 million.

I guess you might say that it will raise our average against the Canadian average. With the lowering of tobacco taxes by the federal government and provincial governments, that kind of lowers their average so we're closing the gap on the perversity factor by a small amount, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. General comments. Mr. Arvaluk.

**MR. ARVALUK:**

Thank you, Mr. Chairman. How can you be assured that the companies will not pass on the extra expense to the consumer, for example, government public tenders for schools and public housing? The better question would be, will you still be able to recover substantial amount, for example, \$5 million, when the companies start adding on more to avoid the two per cent extra expense that they would have to look out for?

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Arvaluk. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, the number of companies that pay this tax are fairly small compared to the number of companies that there are in the Northwest Territories. So I don't anticipate any large, trickle-down affect that will effect government expenditures. I still come back to the point that it is a reasonable tax when you look at the average corporate tax rates across Canada, in my opinion. Thank you.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. Anybody else? General comments. Mr. Ballantyne.

**MR. BALLANTYNE:**



Thank you, Mr. Chairman. I just have a couple of questions. We all understand the pressures that the Finance Minister and our government are under by the federal government to increase our taxes, and corporate income tax is probably politically one of the more easily attainable taxes that you can increase. I understand that and I sympathize with the Minister. I have a sense of *deja vu* when we actually have this discussion.

My question to the Minister is and the Minister did what the he felt he had to do, but what companies are looking at right now, it's not just a snapshot of one tax, it's trends. They're looking for some sense of security that this is not going to be an ongoing trend. It's two points this year; next year, two points; the year after, two points. Same with the payroll tax. I know the Minister can't give a definitive response to the question I'm going to ask right now, but I would like to get some indication if the Minister can provide some comfort to companies who right now are looking with a lot of interest at moving to the Northwest Territories, specifically in the mining area, that there won't be increases next year and during the remainder of the life of this government.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Ballantyne. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, to be frank, fiscally, in Canada today, there is no comfort. I understand what Mr. Ballantyne is saying, but I can't say at this table in this room right now, that there won't be some adjustments next year.

Mr. Chairman, I want Members to understand that it's not just the fact that we want to balance our budget and we want to raise more revenues so that we can pay for more housing, or social programs or whatever. There are people in the Northwest Territories who have lobbied me and said those large companies that we see with the 727 plane flies in and out of Yellowknife, directly over our heads, don't seem to do as much business in the Northwest Territories as they should do. Those large companies that extract gold from the ground that's going to be there in some 20, 30, 40, 50 or 100 years time, when we could probably mine it ourselves, should be paying something. If they're not prepared to do business with northern companies, if they're not prepared to reside in Yellowknife or other communities, then they should be paying something.

Now this diamond issue has come upon us and people are saying, are we going to see the same thing where large multi-national companies come into the Northwest Territories and extract the goodies, and leave after 20 or 30 years, and maybe they've employed a few people but they really haven't put as much into this country as they've taken out. So that drives me as well. There's been a suggestion that we really look at this issue, simply because you only get the gold, oil or the gas out of the ground once. It doesn't regenerate down there. Diamonds won't reappear after another 100 years. Once they're gone, they're gone. I think that argument has been made many times before.

I have been under some pressure by people who say, at least get some tax dollars out of them while they're here, because we may not get very much else. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. Mr. Ballantyne.

**MR. BALLANTYNE:**

No one will argue with those views. I see probably some other aspects of that. The Minister is correct to say that there is no fiscal comfort, but if you look across the country, every jurisdiction is recognizing that there is a certain limit to taxation, after which it becomes counter-productive. In fact, poorer jurisdictions -- and I'll use Newfoundland as an example -- are trying very hard to put together an economic package to attract people to their jurisdictions.

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The comments that the Minister makes are correct, that it has to be balanced with other realities. I've been told by accountants, because I don't pretend to be an expert in this, that there are creative ways that companies can do their accounting to minimize the impact of these taxes also. There has to be a threshold, where you maximize the gains from taxation. When you pass a certain point, you start to have a lot of negative factors coming into it. Has the Minister had the department look at this in a strategic way?

It may be worthwhile if you raise it another two points because you raise \$5 million, but two companies that were going to come in might not come in. There are other factors too. People may use more creative

accounting and you don't actually get the benefits of the revenue. Is the Minister looking at this in a broader context, rather than just the context of the necessity to raise revenue?

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Ballantyne. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, I look at it in the context of what effect it will have, what revenues we will gain, how difficult it is to gain those revenues, how it will affect our formula financing arrangement with the federal government, if it will drive business away, or whether it will dampen enthusiasm for large corporations to be here. All those things are taken into consideration.

One of the aspects that surprised me is the flexibility of corporations to declare tax in this jurisdiction. I believe it was in 1991 that we saw a tremendous amount of corporate income tax declared in the Northwest Territories. Mr. Chairman, without taking up too much time, the work-force in the Northwest Territories doesn't fluctuate back and forth by 50 per cent or 100 per cent. The fact is, this corporate tax can move around so very quickly, that you start to look at the forecasting. Can you forecast that you're going to be able to capture X amount of dollars from corporations in a fiscal year?

When you examine that, you find out there is flexibility amongst Canadian corporations to declare or not declare in this jurisdiction. And you determine that what would make it attractive for them to declare is low tax rates. What does that do for the Northwest Territories? To be honest with you, Mr. Chairman, when we get a volume increase in the amount of corporate taxes paid in the Northwest Territories -- as we did in either 1991 or 1992 -- by some \$20 to \$30 million, that hits us hard in the area of perversity in the formula funding agreement.

In 1991, we paid a premium on taxes that were declared in the Northwest Territories of some \$21 or \$22 million, of \$220,000 out of our formula funding agreement. Even though it looked good, we had greater revenues of some \$20 million or so, we paid for it out of the formula funding. I have to look at that aspect, as well. Do we want corporations to declare income in the NWT so that they can get a tax break when it ultimately costs us at the federal table?

I'm very cognizant of all the issues, the effects, political and business ramifications. Then, of course, you have to look across Canada to find out the average across Canada. In this case, we fell way below the average and that is why the

decision was made, Mr. Chairman, amongst others. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

General comments. Mr. Gargan.

**MR. GARGAN:**

Mr. Chairman, I have a question about clause four which says "By dividing the taxation year into two notional taxation years." I looked the word up and all it says is that it is something that is not real. What exactly is the purpose of having the word "notional?"

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, it is a technical term that deals with the comparison of a company's year end that a company decides upon. There is flexibility for companies to decide which is their fiscal or financial year. It's the term attached to their year, as opposed to the calendar year, as we would normally talk about. It is determined as a notional year. It is just a technical term.

**CHAIRMAN (Mr. Lewis):**

Mr. Gargan.

**MR. GARGAN:**

In clause five, it says that the act is deemed to have come into force on January 1, of this year. Are we also talking about the last fiscal year for this tax? Including December 31, 1993?

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, as I mentioned before, companies have the ability to have different years than the calendar year. This is based on a calendar year. So, if a company's fiscal year doesn't coincide with the

calendar year, then they have to have two notional tax years and that is the term that is used. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard.

**MR. GARGAN:**

So, if I'm clear, that doesn't mean the corporate tax is not going to be levied for the year before December 31, 1993? January 1 is when this corporate tax comes into play?

**CHAIRMAN (Mr. Lewis):**

Can you confirm that, Mr. Pollard?

**HON. JOHN POLLARD:**

Mr. Chairman, I understand what the Member is getting at. If I can give an example, if somebody's fiscal year for a corporation who is going to be paying this tax started December 1 last year, then there would be two tax years, two notional years. The first one being December, which would be taxed at the 12 per cent, then effective January 1, they would start paying the 14 per cent. So there would be two notional tax years. And, yes, the Member is correct, this will not be enforced prior to January 1 of this calendar year. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Are we concluded general comments? Clause by clause?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

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Clause By Clause

**CHAIRMAN (Mr. Lewis):**

Clause 1.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 2.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 3.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 4.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 5.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Bill as a whole.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Does the committee agree that Bill 15 is read for third reading?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

**CHAIRMAN (Mr. Lewis):**

The bill is now ready for third reading. Are you ready to go to the next bill?

**SOME HON. MEMBERS:**

Agreed.

--Agreed

Bill 17: Loan Authorization Act, 1994-95

**CHAIRMAN (Mr. Lewis):**

We're going to Bill 17, Loan Authorization Act, 1994-95. Mr. Pollard, do you have any opening remarks on this bill?

Introductory Remarks

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. The purpose of the Loan Authorization Act is to authorize the government to make loans to municipalities and to boards of education. It is a requirement of the Northwest Territories Act that the lending of government funds be authorized by the Legislative Assembly.

Mr. Chairman, this act is an annual act which for the 1994-95 fiscal year will provide the authority to lend up to \$8 million. Of this amount, Mr. Chairman, \$7 million applies to municipalities and \$1 million to boards of education. The authorization for loans to municipalities of \$7 million is \$1 million less than was authorized in 1993-94.

The municipalities that have identified a requirement for loans include Yellowknife, Norman Wells, Fort Smith, Fort Simpson and Hay River. The municipal purposes for which these loans will be used include the repair of existing municipal property, a recreation complex and limited lot development.

The board of education that has identified a loan requirement is Yellowknife Education District No. 2.

In view of the recent difficulties experienced by two municipalities in repaying debentures, the departments of Municipal and Community Affairs and Finance have carefully reviewed the financial statements of the municipalities in question to ensure that they are financially capable of servicing these

loans. There have been no problems with these earlier loans made to boards of education, and financial statements for the board of education covered under this act, have been reviewed. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thanks, Mr. Pollard. Chairman of the Standing Committee on Finance.

Standing Committee On Finance Comments

**MR. ANTOINE:**

Thank you, Mr. Chairman. The Standing Committee on Finance reviewed Bill 17, Loan Authorization Act, 1994-95, on March 21, 1994. Members discussed the bill and agreed it should move into committee of the whole for discussion. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thanks, Mr. Antoine. General comments on this bill. Mr. Antoine.

General Comments

**MR. ANTOINE:**

Thank you, Mr. Antoine. In this act we know that the government will be authorized to loan \$7 million to municipalities and \$1 million to boards of education. This is down from \$8 million in the 1993-94 act, and \$9 million in the 1992-93 act. I would just like to ask the Minister a question of how much has been loaned by the government to municipalities in the last two years?

**CHAIRMAN (Mr. Lewis):**

Do you have that information, Mr. Pollard?

**HON. JOHN POLLARD:**

Thank you, Mr. Chairman. In 1993-94, we loaned Fort Smith \$335,000, Hay River \$1.2 million, Norman Wells \$250,000, Yellowknife \$5.136 million, for a total of \$6.921 million. That was the amount that we had up to date, March 15, 1994.

In 1992-93, we loaned Fort Simpson \$67,000 and change, Fort Smith \$388,000, Hay River \$1.54 million, Yellowknife \$2.5

million, for a total of \$4.495 million in 1992-93. Over the last two years some \$11.3 million, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. Mr. Antoine.

**MR. ANTOINE:**

Thank you. In this act, for the first time the government is planning to loan up to \$1 million to boards of education. I believe this has not been done before. In section 4, does the term "boards of education" refer to just the two Yellowknife boards of education or does it also includes the divisional boards of education? Thank you.

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

It applies to just the Yellowknife boards, Mr. Chairman.,

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. Mr. Antoine.

**MR. ANTOINE:**

Has this section in the act been introduced for anticipation of future needs by the board, or is it because of a specific loan to a specific board at this time?

**CHAIRMAN (Mr. Lewis):**

Thank you. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, it's not the first time that the government has loaned one of the boards in Yellowknife money. The last time was in 1973. It's something that has been done before, and it may occur in the future. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Thank you, Mr. Pollard. General comments. Mr. Antoine.

**MR. ANTOINE:**

Thank you, Mr. Chairman. Maybe the Minister could explain section 4. Is the section that is in place, is it for a specific loan to a special board at this time, or is this act being introduced for anticipation of future needs? Thank you.

**CHAIRMAN (Mr. Lewis):**

Thanks, Mr. Antoine. Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, this loan is to Yellowknife Education District No. 2, \$1 million, and it's for their new high school. I think Mr. Antoine is referring to the fact that it's specific in this act that boards of education must not exceed \$1 million. Is that the question under section 4?

**CHAIRMAN (Mr. Lewis):**

Will you confirm that, Mr. Antoine, please?

**MR. ANTOINE:**

Yes, Mr. Chairman. I think the Minister had already answered that question. We're just wondering what is the purpose of this. Was it specifically for a specific board at this time, or is it for future anticipation? Are we going to see more of this in the future, or is it for this time period alone? Thank you.

**CHAIRMAN (Mr. Lewis):**

Mr. Pollard.

**HON. JOHN POLLARD:**

Mr. Chairman, I understand now. I apologize to the Member for being so dumb. Mr. Chairman, yes, it is new in the act. It was done to be able to loan to boards of education. We had an application from a board of education. It had been done some 20 years ago, so it was included in the act to be able to make this particular loan. You see it specified in there this year at \$1 million. But it does not preclude another board in Yellowknife coming to us and asking for the same kind of assistance in future years. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Shall we go clause by clause? Mr. Ballantyne.

**MR. BALLANTYNE:**

Just a comment, this \$1 million is a result of negotiations with the Department of Education for the new Catholic school. The negotiations, I thought, were very, very reasonable. The Catholic school board acknowledged the fact that the territorial government wouldn't have the full funds for the school and they thought they should make a contribution themselves. They made this \$1 million contribution which, I might tell Members, will be paid for by the taxpayers of Yellowknife. One-third of my tax bill, as a resident of Yellowknife, goes toward the school boards. We'll end up paying for that \$1 million over the next period of years. Thank you, very much, Mr. Chairman.

**CHAIRMAN (Mr. Lewis):**

Are we finished with general comments?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Shall we go clause by clause?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

Clause By Clause

**CHAIRMAN (Mr. Lewis):**

Bill 17, clause 1.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 2.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 3.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 4.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 5.

**SOME HON. MEMBERS:**

Agreed.

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---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 6.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 7.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 8.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 9.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 10.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Clause 11.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

The bill as a whole.

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Do Members agree that Bill 17 is ready for third reading?

**SOME HON. MEMBERS:**

Agreed.

---Agreed

**CHAIRMAN (Mr. Lewis):**

Bill 17 is now ready for third reading. I would like to thank you, Mr. Pollard and Mr. Nielsen for being with us and helping us with this bill.

**CHAIRMAN (Mr. Lewis):**

What would the committee like to do next? Mr. Zoe.

**MR. ZOE:**

Mr. Chairman, I move that we report progress.

**CHAIRMAN (Mr. Lewis):**

The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**CHAIRMAN (Mr. Lewis):**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

I'll rise and report progress.

**MADAM SPEAKER:**

I call the House back to order. Item 19, report of committee of the whole. The honourable Member for Yellowknife Centre, Mr. Lewis.

ITEM 19: REPORT OF COMMITTEE OF THE WHOLE

**CHAIRMAN (Mr. Lewis):**

Thank you, Madam Speaker. Your committee has been considering Bill 15 and Bill 17 and would like to report that Bills 15 and 17 are ready for third reading. Madam Speaker, I move that the report of the committee of the whole be concurred with.

**MADAM SPEAKER:**

Thank you. Is there a seconder for the motion? The honourable Member for North Slave, Mr. Zoe. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

The honourable Member for Deh Cho, Mr. Gargan.

**MR. GARGAN:**

Madam Speaker, I would like to seek unanimous consent to go back to item 3, Members' statements.

**MADAM SPEAKER:**

The honourable Member for Deh Cho is seeking unanimous consent to return to Members' statements. Are there any nays? There are no nays. Proceed.

**REVERT BACK TO ITEM 3: MEMBERS' STATEMENTS**

Member's Statement On Marketing The Licence Plate Cleaning Agent Kit

**MR. GARGAN:**

Thank you, Madam Speaker.

---Laughter

And I would like to thank my colleagues, too. Bill 9, An Act to Amend the Motor Vehicles Act, is filled with buzz words and phrases, as most legislation we adopt is. Buzz words such as maybe, may, may sell, may buy, consider, shall not and shall provide. Madam Speaker, to my way of thinking, a lot of these buzz words and phrases imply there is room for compromise for those interpreting the legislation.

However, Madam Speaker, clause 24 of Bill 9 now reads, "No person shall operate or park a motor vehicle on a highway unless license plates attached to the motor vehicle are free of dirt and obstructions." Madam Speaker, I really wonder what difference it would make if you cannot read a license plate of a vehicle parked on the side of a highway.

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Madam Speaker, I drive over 80,000 kilometres a year. I have been 40 miles out of Yellowknife in a rain storm or behind a watering truck where there would be no way that my rear plate was clear. My problem with the wording of this clause is that there is no room for leeway on the part of the law enforcers. The way the clause reads now, they have no choice but to ticket offenders, regardless of the fact it is pouring cats and dogs outside.

Madam Speaker, I am thinking of going into business selling a revolutionary new product...

---Laughter

...to deal with the problem of mud on the highways. I'm going to market the LPCA kit, the license plate cleaning agent kit.

---Laughter

---Laughter

I also have, for those people lucky enough to live in a community where there are paved streets, an Arctic turtle wax...

---Laughter

...that fits in the glove compartment to keep their licence plates nice and shiny.

---Laughter

Thank you, Madam Speaker.

---Applause

**MADAM SPEAKER:**

Thank you. Item 3, Members' statements. Item 20, third reading of bills. The honourable Member for Hay River.

**ITEM 20: THIRD READING OF BILLS**

Bill 9: An Act To Amend The Motor Vehicles Act

**HON. JOHN POLLARD:**

Madam Speaker, on behalf of Mr. Todd...

---Laughter

...I move, seconded by the honourable Member for Baffin Central, that Bill 9, An Act to Amend the Motor Vehicles Act, be read for the third time.

**SOME HON. MEMBERS:**

Shame, shame.

---Laughter

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**



Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Bill 9 has had third reading. Item 20, third reading of bills. The honourable Member for Mackenzie Delta.

Bill 11: An Act To Amend The Safety Act

**HON. RICHARD NERYSOO:**

Thank you, Madam Speaker. Madam Speaker, I move, seconded by the honourable Member for Baffin Central, that Bill 11, An Act to Amend the Safety Act, be read for the third time.

**MADAM SPEAKER:**

Thank you. The motion is in order. To the motion.

**AN HON. MEMBER:**

Question.

**MADAM SPEAKER:**

Question has been called. All those in favour? All those opposed? Motion is carried.

---Carried

Bill 11 has had third reading. Item 20, third reading of bills. Item 21, Mr. Clerk, orders of the day.

ITEM 21: ORDERS OF THE DAY

**CLERK OF THE HOUSE (Mr. Hamilton):**

Madam Speaker, there are meetings for Monday morning at 9:00 am of the Standing Committee on Finance, also at 9:00 am of the Standing Committee on Legislation, and at 10:30 am of the Ordinary Members' Caucus. Orders of the day for Monday, March 28, 1994.

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Oral Questions
6. Written Questions

7. Returns to Written Questions
8. Replies to Opening Address
9. Petitions
10. Reports of Standing and Special Committees
11. Reports of Committees on the Review of Bills
12. Tabling of Documents
13. Notices of Motion

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14. Notices of Motions for First Reading of Bills
15. Motions
  - Motion 25, Appointments to the Advisory Committee on Social Housing
16. First Reading of Bills
  - Bill 19, An Act to Amend the Tobacco Tax Act
17. Second Reading of Bills
  - Bill 20, An Act to Amend the Income Tax Act, No. 2
18. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 1, Appropriation Act, No. 2, 1994-95
  - Bill 12, An Act to Amend the Wildlife Act
  - Committee Report 2-12(5), Review of the 1994-95 Main Estimates
    - Minister's Statement 5-12(5), Session Business
    - Tabled Document 1-12(5), Towards an NWT Mineral Strategy
    - Tabled Document 2-12(5), Building and Learning Strategy

- Tabled Document, 34-12(5), Tradition and Change, A Strategy for Renewable Resource Development in the NWT, February 1994

19. Report of Committee of the Whole

20. Third Reading of Bills

- Bill 15, An Act to Amend the Income Tax Act

- Bill 17, Loan Authorization Act, 1994-95

21. Orders of the Day

**MADAM SPEAKER:**

Thank you. This House stands adjourned until Monday, March 28, 1994, at 1:30 pm.

---ADJOURNMENT